

ORIGINAL

OPEN MEETING ITEM



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COMMISSIONERS
GARY PIERCE - Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS



ARIZONA CORPORATION COMMISSION

2011 MAR 14 A 11: 28

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

DATE: MARCH 14, 2011

DOCKET NO.: C-00000A-10-0393

TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Judge Sarah N. Harpring. The recommendation has been filed in the form of an Opinion and Order on:

VARIOUS UTILITIES
(FAILURE TO FILE 2008 ANNUAL REPORTS)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by **4:00** p.m. on or before:

MARCH 23, 2011

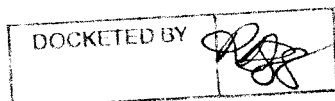
The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

MARCH 29, 2011 AND MARCH 30, 2011

For more information, you may contact Docket Control at (602) 542-3477 or the Hearing Division at (602) 542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

Arizona Corporation Commission
DOCKETED

MAR 14 2011



ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

1200 WEST WASHINGTON STREET, PHOENIX, ARIZONA 85007-2927 / 400 WEST CONGRESS STREET, TUCSON, ARIZONA 85701-1347

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This document is available in alternative formats by contacting Shaylin Bernal, ADA Coordinator, voice phone number 602-542-3931, E-mail SABernal@azcc.gov

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **COMMISSIONERS**

3 GARY PIERCE - Chairman
4 BOB STUMP
5 SANDRA D. KENNEDY
6 PAUL NEWMAN
7 BRENDA BURNS

8 IN THE MATTER OF THE COMMISSION ON
9 ITS OWN MOTION INVESTIGATING THE
10 FAILURE OF NUMEROUS UTILITIES TO FILE
11 ANNUAL REPORTS FOR CALENDAR YEAR
12 2008.

DOCKET NO. C-00000A-10-0393

DECISION NO. _____

OPINION AND ORDER

10 DATE OF HEARING: December 13, 2010

11 PLACE OF HEARING: Phoenix, Arizona

12 ADMINISTRATIVE LAW JUDGE: Sarah N. Harpring

13 APPEARANCES: Mr. Charles Hains, Staff Attorney, Legal Division, on
14 behalf of the Utilities Division of the Arizona
Corporation Commission.

15 **BY THE COMMISSION:**

16 This case concerns an Order to Show Cause issued by the Arizona Corporation Commission
17 ("Commission") against numerous utilities for failing to file their 2008 Utilities Division Annual
18 Reports ("2008 Annual Reports").

19 * * * * *

20 Having considered the entire record herein and being fully advised in the premises, the
21 Commission finds, concludes, and orders that:

22 **FINDINGS OF FACT**

23 1. On September 23, 2010, the Commission's Utilities Division ("Staff") filed a
24 Memorandum requesting that a docket be opened concerning the failure of utilities to file their 2008
25 Annual Reports. As a result, the above-captioned docket was opened.

26 2. On September 30, 2010, Staff filed a Complaint and Petition for an Order to Show
27 Cause ("Complaint"), along with a Proposed Order, for consideration at the Commission Open
28 Meeting on October 19 and 20, 2010.

3. On October 1, 2010, Staff filed a Notice of Errata explaining that two parties had inadvertently been excluded from the service list for the Complaint. Staff explained that copies of the Complaint had been mailed to the two parties excluded from the service list, Los Rapiños, Inc. and Lucky Hills Water Company, and filed a corrected service list.

4. On November 8, 2010, the Commission issued Decision No. 71959, alleging that the following public service corporations ("Respondents") had failed to file their 2008 Annual Reports and ordering the Respondents to appear before the Commission, at a time and place designated by the Commission's Hearing Division, to show cause why the Commission should not find Respondents to have violated and to be in contempt of Arizona law and Commission rules and to show cause why the Commission should not assess penalties against Respondents under A.R.S. §§ 40-424 and 40-425 and/or cancel Respondents' Certificates of Convenience and Necessity ("CC&Ns"):

<u>Docket No.</u>	<u>Company Name</u>
W-02250A	Arizona Windsong Realty, Inc.
T-03123A	Arnan LLC
W-02015A	Beaver Valley Water Company
W-02026A	Bidegain Water Company
T-04290A	CCG Communications, LLC
W-02034A	Cienega Water Company, Inc.
T-04201A	CityNet Arizona, LLC
W-01558A	Crown King Water Company, Inc.
W-01351A	Elfrida Domestic Water Users Association
T-03822A	Freedomstarr Communications, Inc.
T-20428A	Global Touch Telecom, Inc.
W-04120A	Grand Canyon Caverns and Inn, LLC
W-02271A	Green Acres Water Company
T-03717A	GTC Telecom
W-01896A	Holiday Enterprises Incorporated
W-02077A	Hopeville Water Company, Inc.
T-03328A	James Jay Fritton
W-04249A	Jake's Corner Water System
W-04286A	Arroyo Water Co.
T-03743A	Los Rapiños, Inc.
W-01961A	Lucky Hills Water Company
W-02368A	Mirabell Water Company, Inc.
W-01849A	Mobile Water Company
W-02164A	Morristown Water Company
T-02946A	National Public Phone Co.
W-04069A	Oatman Water Company, LLC

W-02464A	Puesta Del Sol Water Company
W-02800A	Q Mountain Water Inc.
T-02954A	R.L. Communications, Inc.
T-02953A	American General Payphone
W-02280A	South Rainbow Valley Water Coop.
W-01407A	Strawberry Water Company
W-01344A	Tacna Water Company
W-01983A	Voyager at White Mountain Lakes Water Co., Inc
W-01084A	William P. Farr dba Salome Water Company

5. In Decision No. 71959, the Commission also found that the Respondents' alleged violations would constitute grounds to assess civil penalties against Respondents under A.R.S. §§ 40-424 and 40-425, in an amount not less than \$100 nor more than \$5,000 for each violation, and/or to revoke Respondents' CC&Ns.

6. On November 9, 2010, a Procedural Order was issued scheduling a procedural conference in this matter for December 13, 2010, and the hearing in this matter for January 6, 2011, both to be held at the Commission's offices in Phoenix, Arizona. The Procedural Order further required Staff to file, by December 6, 2010, a memorandum indicating whether any of the Respondents had filed their 2008 Annual Reports since the issuance of Decision No. 71959.

7. Copies of the Procedural Order were sent to the Respondents both by first class mail and by certified mail. The Commission's Hearing Division received back as undeliverable the copies of the Procedural Order sent by first class mail to Voyager at White Mountain Lakes Water Co., Inc.; Mirabell Water Company, Inc.; Arroyo Water Co.; and Jake's Corner Water System.¹ The Commission's Docket Control received back as undeliverable the certified mail sent to Global Touch Telecom, Inc.; Strawberry Water Company; Voyager at White Mountain Lakes Company, Inc.; GTC Telecom; Oatman Water Company; Jake's Corner Water System; South Rainbow Valley Water Coop.; and Arroyo Water Company.²

8. A.A.C. R14-3-107(B), the Commission's rule for service of documents, provides, in

¹ The items were returned to sender as unable to forward with the additional notations "no such number," "attempted – not known," and "not deliverable as addressed." Official notice is taken of these facts, which involve documents within the Commission's Hearing Division file for this matter.

² The items were returned to sender as unable to forward with additional notations such as "no such number," "attempted not known," "unclaimed," and "not deliverable as addressed." Official notice is taken of these facts, which involve documents filed in this docket and available through the Commission's e-Docket function.

1 pertinent part:

2 [A]ll notices, orders to show cause, opinions and orders required to be
3 served by the Commission . . . may be served by mail, and service thereof
4 shall be deemed complete when a true copy of such paper or document,
properly addressed and stamped, is deposited in the United States mail
with first class postage prepaid.

5 9. On December 8, 2010, Staff filed a memorandum stating that the following
6 Respondents had filed their 2008 Annual Reports since the issuance of Decision No. 71959 and
7 recommending that these Respondents ("the Late-Filing Respondents") be dismissed from this
8 matter:

<u>Docket No.</u>	<u>Company Name</u>
W-02026A	Bidegain Water Company
T-04290A	CCG Communications, LLC
W-02034A	Cienega Water Company, Inc.
T-04201A	CityNet Arizona, LLC
W-01351A	Elfrida Domestic Water Users Association
W-04120A	Grand Canyon Caverns and Inn, LLC
W-02077A	Hopeville Water Company, Inc.
W-02368A	Mirabell Water Company, Inc.
W-04069A	Oatman Water Company, LLC
W-02800A	Q Mountain Water Inc.
T-02954A	R.L. Communications, Inc.
T-02953A	American General Payphone
W-01344A	Tacna Water Company

18 10. In its December 8, 2010, memorandum, Staff also stated that because the following
19 Respondents have filed to cancel their CC&Ns, and those cancellation requests are being handled in
20 other open dockets, the following Respondents ("Cancellation Respondents") should also be
21 dismissed from this matter:

<u>Docket No.</u>	<u>Company Name</u>
T-03123A	Arnan LLC
T-03328A	James Jay Fritton
W-01849A	Mobile Water Company
T-02946A	National Public Phone Co.

26 11. On December 13, 2010, a procedural conference was held in this matter. Staff
27 appeared through counsel, and none of the Respondents appeared. Staff reported that no additional
28 Annual Report or cancellation request filings had been made by Respondents since the memorandum

1 of December 8, 2010.

2 12. On January 6, 2011, a full public hearing was held before a duly authorized
3 Administrative Law Judge of the Commission at the Commission's offices in Phoenix, Arizona.
4 Staff appeared through counsel, and none of the Respondents appeared. Staff presented the
5 testimony of Kimberly Battista, Staff Compliance Manager. No members of the public attended to
6 provide comment. Ms. Battista reported that no additional Respondents had filed Annual Reports or
7 cancellation requests and, thus, that Staff does not recommend that any additional Respondents be
8 dismissed from this matter. (Tr. at 7-8.)

9 13. Staff reported that the following Respondents ("Remaining Respondents") have
10 neither filed their 2008 Annual Reports nor filed requests to cancel their CC&Ns:

Docket No.	Company Name
W-02250A	Arizona Windson Realty, Inc.
W-02015A	Beaver Valley Water Company
W-01558A	Crown King Water Company, Inc.
T-03822A	Freedomstarr Communications, Inc. ³
T-20428A	Global Touch Telecom, Inc. ⁴
W-02271A	Green Acres Water Company
T-03717A	GTC Telecom ⁵
W-01896A	Holiday Enterprises Incorporated
W-04249A	Jake's Corner Water System
W-04286A	Arroyo Water Co.
T-03743A	Los RapiDOS, Inc. ⁶
W-01961A	Lucky Hills Water Company
W-02164A	Morristown Water Company
W-02464A	Puesta Del Sol Water Company
W-02280A	South Rainbow Valley Water Coop.
W-01407A	Strawberry Water Company
W-01983A	Voyager at White Mountain Lakes Water Co., Inc
W-01084A	William P. Farr dba Salome Water Company

14. The 2008 Annual Reports were all due on or before April 15, 2009. (Tr. at 6.)

³ Official notice is taken that Freedomstarr Communications, Inc. was granted a CC&N to provide competitive resold intrastate telecommunications services, other than local exchange services, in Decision No. 62721 (June 30, 2000).

⁴ Official notice is taken that Global Touch Telecom, Inc. was granted a CC&N to provide competitive resold interexchange telecommunications services, other than local exchange services, in Decision No. 68968 (September 21, 2006).

⁵ Official notice is taken that GTC Telecom was granted a CC&N to provide competitive resold intrastate toll telecommunications services, other than local exchange services, in Decision No. 62411 (April 3, 2000).

⁶ Official notice is taken that Los RapiDOS, Inc. was granted a CC&N to provide customer-owned pay telephone services in Decision No. 61908 (August 27, 1999).

1 15. Ms. Battista testified that Staff attempted to obtain 2008 Annual Reports from the
2 Remaining Respondents through numerous phone calls and numerous mailings, with which Staff
3 included copies of the statutes and rules that require public service corporations to file annual reports.
4 (Tr. at 7.)

5 16. Ms. Battista testified that Staff was able to reach all of the Remaining Respondents
6 except GTC Telecom, because Staff's mailed notice came back as undeliverable. (See Tr. at 15-16.)

7 17. Ms. Battista testified that several of the Remaining Respondents (Lucky Hills Water
8 Company, Puesta Del Sol Water Company, and South Rainbow Valley Water Coop.) are no longer
9 serving customers because they are all shown as inactive by the Arizona Department of
10 Environmental Quality ("ADEQ") or Maricopa County Environmental Services Division, as
11 applicable.⁷ (Tr. at 8-9, 11.) Staff believes that the other Remaining Respondents are still providing
12 service to customers. (Tr. at 8.) Ms. Battista noted, however, that Los Rapiados, Inc., a pay telephone
13 company, may no longer be providing service, as it reported in its 2007 Annual Report that it had
14 sold its phones. (Tr. at 15.)

15 18. Ms. Battista testified that several other Remaining Respondents are out of compliance
16 with ADEQ: Arizona Windsong Realty, Inc., which has no certified operator and has major
17 deficiencies in sampling and reporting; Voyager at White Mountain Lakes Water Co., Inc., which has
18 monitoring and reporting deficiencies; and Jake's Corner Water System, which also has monitoring
19 and reporting deficiencies. (See Tr. at 9.) Ms. Battista testified that Arizona Windsong Realty, Inc.
20 also has compliance issues with the Environmental Protection Agency. (*Id.*) Staff intends to follow
21 up with all three of these water companies regarding their compliance issues. (*Id.*)

22 19. Ms. Battista also testified that several Remaining Respondents have already had their
23 CC&Ns revoked: Arizona Windsong Realty, Inc.; Morristown Water Company; and William P. Farr
24 dba Salome Water Company (jointly the "Revoked Respondents"). (Tr. at 8.)

25 20. Staff has directly communicated with each of these Revoked Respondents to find out
26 why they are not filing annual reports. (Tr. at 14.)

27 _____
28 ⁷ Ms. Battista testified that Mobile Water Company is also shown as inactive. (Tr. at 8-9.) As noted above, Mobile Water Company has filed for cancellation of its CC&N.

1 21. Ms. Battista testified that Arizona Windsong Realty, Inc., which has only 60
2 connections, lost its CC&N in 2003 and has had issues with change of ownership and with death in
3 the family. (Tr. at 13-15.) Ms. Battista further stated that Arizona Windsong Realty, Inc.'s failure to
4 file is new and that it did file its 2007 Annual Report. (*Id.*)

5 22. Ms. Battista testified that William P. Farr dba Salome Water Company, which has 139
6 connections, has never filed an annual report with the Commission and that the owner has indicated
7 that it is just too much paperwork. (Tr. at 14, 15.)

8 23. Ms. Battista testified that Morristown Water Company, which has only 55
9 connections, has not filed an annual report since filing its 2004 Annual Report in 2007 and has been
10 fined three times—for failure to file its 2005 Annual Report, for failure to file its 2006 Annual
11 Report, and for failure to file its 2007 Annual Report. (Tr. at 14, 15.) Ms. Battista added that Staff
12 has worked back and forth numerous times with Morristown Water Company, which has also had
13 ownership changes. (Tr. at 14-15.)

14 24. Commission records indicate that Crown King Water Company, Inc. has also had its
15 CC&N revoked, for failure to file its 1999 Annual Report. (Decision No. 64395 (January 31, 2002).)

16 **Annual Report Requirements & Staff Recommendations**

17 25. A.R.S. § 40-204(A) provides:

18 A. Every public service corporation shall furnish to the commission, in the
19 form and detail the commission prescribes, tabulations, computations,
20 annual reports, monthly or periodical reports of earnings and expenses,
21 and all other information required by it to carry into effect the provisions
22 of this title and shall make specific answers to all questions submitted by
23 the commission. If a corporation is unable to answer any question, it shall
24 give a good and sufficient reason therefor.⁸

25 26. The Commission has included this annual reporting requirement in its rules for the
26 different types of utilities operating in the State. A.A.C. R14-2-411(D)(4) requires each water utility
27 to submit an annual report to the Commission, on a form prescribed by the Commission, by April 15
28 for the preceding calendar year. A.A.C. R14-2-510(G)(4) imposes the same requirement for each
telephone utility. A.A.C. R14-2-610(D)(4) imposes the same requirement for each sewer utility.

⁸ A.R.S. § 40-204(A) (emphasis added).

1 A.A.C. R14-2-1115(F) imposes the same requirement for each telecommunications company
 2 providing competitive telecommunications services pursuant to 14 A.A.C. 2, Article 11. A.A.C.
 3 R14-2-907(A) imposes the same type of annual report requirement, although with a February 1
 4 deadline, for each customer-owned pay telephone ("COPT") provider. A.A.C. R14-2-1011(A)
 5 imposes an annual report requirement for each alternative operator service ("AOS") provider,
 6 although without an explicit filing deadline in the rule.

7 27. Ms. Battista testified that utility annual reports are important because they provide
 8 water usage data, customer counts, revenue data, universal fund data, payments, taxes, and other
 9 information and basically provide Staff a means to ensure that a company is not underperforming or
 10 to detect that a company may need help or may be having issues. (Tr. at 6.)

11 28. Staff recommends that the Commission revoke the CC&Ns of the Remaining
 12 Respondents who still hold CC&Ns and impose a fine between \$500 and \$1,000 on each Revoked
 13 Respondent. (Tr. at 8, 11.) Ms. Battista testified that the Commission typically has assessed \$200
 14 fines in this type of case and that Staff's recommendation of higher fines in this matter is due to
 15 Staff's impression that the same companies seem to be on the list every year. (Tr. at 11-12.)

16 Commission Authority to Act

17 29. A.R.S. § 40-246(A) authorizes the Commission, on its own motion, to make a
 18 complaint against any public service corporation "setting forth any act or thing done or omitted to be
 19 done by [the] public service corporation in violation, or claimed to be in violation, of any provision of
 20 law or any order or rule of the commission."

21 30. § 40-424 provides:

22 40-424. Contempt of corporation commission; penalty

23 A. If any corporation or person fails to observe or comply with any order,
 24 rule, or requirement of the commission or any commissioner, the
 25 corporation or person shall be in contempt of the commission and shall,
 26 after notice and hearing before the commission, be fined by the
 commission in an amount not less than one hundred nor more than five
 thousand dollars, which shall be recovered as penalties.

B. The remedy prescribed by this article shall be cumulative.

27 31. A.R.S. § 40-425 provides:

1 40-425. Penalty for violations not otherwise provided for; separate and
 2 continuing offenses; responsibility of corporation for acts of officers,
 3 agents or employees

4 A. Any public service corporation which violates or fails to comply with
 5 any provision of the constitution or of this chapter, or which fails or
 6 neglects to obey or comply with any order, rule or requirement of the
 7 commission, the penalty for which is not otherwise provided, is subject to
 8 a penalty of not less than one hundred nor more than five thousand dollars
 9 for each offense.

10 B. Each violation is a separate offense, but violations continuing from day
 11 to day are one offense.

12 C. In enforcing penalties the act or omission of any officer, agent or
 13 employee of a public service corporation, acting within the scope of his
 14 duties or employment is the act, omission or failure of such corporation.

15 32. A.R.S. § 40-202(A) provides: "The commission may supervise and regulate every
 16 public service corporation in the state and do all things, whether specifically designated in this title or
 17 in addition thereto, necessary and convenient in the exercise of that power and jurisdiction."

18 Resolution

19 33. Staff's recommendation to dismiss from this matter both the Late-Filing Respondents
 20 and the Cancellation Respondents is reasonable and appropriate and will be adopted.

21 34. We find that by failing to file their 2008 Annual Reports, all of the Remaining
 22 Respondents have violated A.R.S. § 40-204(A); that the water utilities have also violated A.A.C.
 23 R14-2-411(D)(4); that the competitive telecommunications providers have also violated A.A.C. R14-
 24 2-1115(F); and that the customer-owned pay telephone ("COPT") provider has also violated A.A.C.
 25 R14-2-907(A). Thus, we find that under A.R.S. §§ 40-424 and 40-425, all of the Remaining
 26 Respondents are subject to penalties ranging from \$100 to \$5,000 and that, under A.R.S. § 40-
 27 202(A), all of the Remaining Respondents whose CC&Ns have not been revoked already are subject
 28 to revocation of their CC&Ns.

35. Exhibit A, which is attached hereto and incorporated herein, summarizes the actions
 taken against the Remaining Respondents in the Commission Decisions regarding utilities' failure to
 file Annual Reports for the years 1999 through 2007: As shown in Exhibit A, the following
 Remaining Respondents were fined for failure to file Annual Reports for the years indicated: Crown
 King Water Company, Inc. (1999, 2006-2007); Morristown Water Company (2005-2007); Voyager

1 at White Mountain Lakes Water Co., Inc. (2000); and William P. Farr dba Salome Water Company
2 (1999-2001, 2003, 2005-2007).

3 36. We find that Staff's recommendation to fine each Revoked Respondent is reasonable
4 and appropriate, but that the fine amounts should be modified in recognition of the Revoked
5 Respondents' differing levels of historical noncompliance with Annual Report filing requirements, as
6 set forth in Exhibit A. Because Arizona Windsong Realty, Inc., did not completely fail to file an
7 Annual Report for 1999-2007, we find that it is reasonable and appropriate to assess Arizona
8 Windsong Realty, Inc., a \$100 penalty for its failure to file its 2008 Annual Report. Because
9 Morristown Water Company also failed to file its 2005-2007 Annual Reports, we find that it is
10 reasonable and appropriate to assess Morristown Water Company a \$700 penalty for its failure to file
11 its 2008 Annual Report. Because William P. Farr dba Salome Water Company also failed to file its
12 1999-2003 and its 2005-2007 Annual Reports, we find that it is reasonable and appropriate to assess
13 William P. Farr dba Salome Water Company a \$1,500 penalty for its failure to file its 2008 Annual
14 Report.

15 37. We also find that it is reasonable and appropriate to assess on the other Remaining
16 Respondents the following penalties, based on their levels of historical noncompliance with Annual
17 Report filing requirements, as set forth in Exhibit A: Beaver Valley Water Company, \$100; Crown
18 King Water Company, Inc., \$700; Freedomstarr Communications, Inc., \$100; Global Touch
19 Telecom, Inc., \$100; Green Acres Water Company, \$100; GTC Telecom, \$100; Holiday Enterprises
20 Incorporated, \$100; Jake's Corner Water System, \$100; Arroyo Water Co., \$100; Los Rapidos, Inc.,
21 \$100; Lucky Hills Water Company, \$100; Puesta Del Sol Water Company, \$100; South Rainbow
22 Valley Water Coop., \$100; Strawberry Water Company, \$100; and Voyager at White Mountain
23 Lakes Water Co., Inc., \$300.

24 38. We also find that it is reasonable and appropriate, necessary and convenient, and in the
25 public interest to revoke the CC&Ns of the Remaining Respondents whose CC&Ns have not already
26 been revoked.

27 39. We further find that it is reasonable and appropriate to allow each Remaining
28 Respondent to file with Staff, within 60 days after the effective date of this Decision, its 2008 Annual

1 Report and, if a Remaining Respondent makes such a filing, as verified by a Staff filing made in this
2 Docket within 90 days after the effective date of this Decision, to render null and void, without
3 further Order of the Commission, both the penalty imposed on and the CC&N revocation as to such
4 Remaining Respondent.

5 **CONCLUSIONS OF LAW**

6 1. The Respondents are public service corporations within the meaning of Article XV of
7 the Arizona Constitution and A.R.S. Title 40, Chapter 2.

8 2. The Commission has jurisdiction over the Respondents and the subject matter of the
9 Complaint and Order to Show Cause.

10 3. A.R.S. § 40-246(A) authorizes the Commission to initiate a Complaint and Order to
11 Show Cause proceeding against a public service corporation based on an act or omission of the public
12 service corporation in violation, or claimed to be in violation, of any provision of law or any order or
13 rule of the Commission.

14 4. Notice of this Complaint and Order to Show Cause matter and of the hearing held
15 herein was provided to the Respondents as required by law.

16 5. It is reasonable and appropriate and in the public interest to dismiss from this matter
17 both the Late-Filing Respondents and the Cancellation Respondents.

18 6. Under A.R.S. § 40-204(A) and A.A.C. R14-2-411(D)(4), the Remaining Respondent
19 water utilities were required to file their 2008 Annual Reports by April 15, 2009, which they failed to
20 do.

21 7. Under A.R.S. § 40-204(A) and A.A.C. R14-2-1115(F), the Remaining Respondent
22 competitive telecommunications providers were required to file their 2008 Annual Reports by April
23 15, 2009, which they failed to do.

24 8. Under A.R.S. § 40-204(A) and A.A.C. R14-2-907(A), the Remaining Respondent
25 COPT provider was required to file its 2008 Annual Report by February 1, 2009, which it failed to
26 do.

27 9. By failing to file their 2008 Annual Reports, the Remaining Respondents have all
28 violated A.R.S. § 40-204(A); the Remaining Respondent water utilities have also violated A.A.C.

1 R14-2-411(D)(4); the Remaining Respondent competitive telecommunications providers have also
 2 violated A.A.C. R14-2-1115(F); and the Remaining Respondent COPT provider has also violated
 3 A.A.C. R14-2-907(A).

4 10. Under A.R.S. §§ 40-424 and 40-425, the Remaining Respondents are subject to
 5 penalties ranging from \$100 to \$5,000 for their violations of A.R.S. § 40-204(A) and Commission
 6 rules.

7 11. It is reasonable and appropriate and in the public interest to assess against the
 8 Remaining Respondents the penalties set forth in Findings of Fact Nos. 36 and 37.

9 12. Under A.R.S. § 40-202(A), the Remaining Respondents whose CC&Ns have not
 10 already been revoked are subject to revocation of their CC&Ns for their violations of A.R.S. § 40-
 11 204(A) and Commission rules.

12 13. It is reasonable and appropriate, necessary and convenient, and in the public interest to
 13 revoke the CC&Ns of the Remaining Respondents whose CC&Ns have not already been revoked.

14 14. It is reasonable and appropriate and in the public interest to allow each Remaining
 15 Respondent to file with Staff, within 60 days after the effective date of this Decision, its 2008 Annual
 16 Report and, if a Remaining Respondent makes such a filing, and such filing is verified by a Staff
 17 filing made in this Docket within 90 days after the effective date of this Decision, to render null and
 18 void, without further Order of the Commission, both the penalty imposed on and the CC&N
 19 revocation as to such Remaining Respondent.

20 ORDER

21 IT IS THEREFORE ORDERED that the following Respondents are dismissed from this
 22 proceeding:

<u>Docket No.</u>	<u>Company Name</u>
W-02026A	Bidegain Water Company
T-04290A	CCG Communications, LLC
W-02034A	Cienega Water Company, Inc.
T-04201A	CityNet Arizona, LLC
W-01351A	Elfrida Domestic Water Users Association
W-04120A	Grand Canyon Caverns and Inn, LLC
W-02077A	Hopeville Water Company, Inc.

W-02368A	Mirabell Water Company, Inc.
W-04069A	Oatman Water Company, LLC
W-02800A	Q Mountain Water Inc.
T-02954A	R.L. Communications, Inc.
T-02953A	American General Payphone
W-01344A	Tacna Water Company
T-03123A	Arnan LLC
T-03328A	James Jay Fritton
W-01849A	Mobile Water Company
T-02946A	National Public Phone Co.

IT IS FURTHER ORDERED that the Certificates of Convenience and Necessity of the following Remaining Respondents are hereby revoked, subject to the condition in the fourth Ordering Paragraph herein:

<u>Docket No.</u>	<u>Company Name</u>
W-02015A	Beaver Valley Water Company
W-01558A	Crown King Water Company, Inc.
T-03822A	Freedomstarr Communications, Inc.
T-20428A	Global Touch Telecom, Inc.
W-02271A	Green Acres Water Company
T-03717A	GTC Telecom
W-01896A	Holiday Enterprises Incorporated
W-04249A	Jake's Corner Water System
W-04286A	Arroyo Water Co.
T-03743A	Los Rapidos, Inc.
W-01961A	Lucky Hills Water Company
W-02464A	Puesta Del Sol Water Company
W-02280A	South Rainbow Valley Water Coop.
W-01407A	Strawberry Water Company
W-01983A	Voyager at White Mountain Lakes Water Co., Inc

IT IS FURTHER ORDERED that the following Remaining Respondents shall pay the following penalties to the Commission, in the form of a cashier's check or money order made payable to the Arizona Corporation Commission and delivered to the Commission's Business Office, within 90 days after the effective date of this Decision, subject to the condition in the fourth Ordering Paragraph herein:

<u>Docket No.</u>	<u>Company Name</u>	<u>Penalty Due</u>
W-02250A	Arizona Windsong Realty, Inc.	\$100
W-02015A	Beaver Valley Water Company	\$100
W-01558A	Crown King Water Company, Inc.	\$700

1	T-03822A	Freedomstarr Communications, Inc.	\$100
2	T-20428A	Global Touch Telecom, Inc.	\$100
3	W-02271A	Green Acres Water Company	\$100
4	T-03717A	GTC Telecom	\$100
5	W-01896A	Holiday Enterprises Incorporated	\$100
6	W-04249A	Jake's Corner Water System	\$100
7	W-04286A	Arroyo Water Co.	\$100
8	T-03743A	Los Rapios, Inc.	\$100
9	W-01961A	Lucky Hills Water Company	\$100
10	W-02164A	Morristown Water Company	\$700
11	W-02464A	Puesta Del Sol Water Company	\$100
12	W-02280A	South Rainbow Valley Water Coop.	\$100
13	W-01407A	Strawberry Water Company	\$100
14	W-01983A	Voyager at White Mountain Lakes Water Co., Inc	\$300
15	W-01084A	William P. Farr dba Salome Water Company	\$1,500

IT IS FURTHER ORDERED that if a Remaining Respondent files its 2008 Annual Report with Staff, within 60 days after the effective date of this Decision, as verified by a Staff filing made in this Docket within 90 days after the effective date of this Decision, both the penalty imposed herein and the CC&N revocation made herein as to such Remaining Respondent shall be rendered null and void, without further Order of the Commission.

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1 IT IS FURTHER ORDERED that Staff shall, within 90 days after the effective date of this
 2 Decision, file in this Docket a document setting forth the name of each Remaining Respondent who
 3 has filed its 2008 Annual Reports with Staff within 60 days after the effective date of this Decision,
 4 along with the filing date for each such 2008 Annual Report.

5 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

6 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.
 7
 8

9 CHAIRMAN

COMMISSIONER

10
 11 COMMISSIONER

COMMISSIONER

COMMISSIONER

12
 13 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
 14 Executive Director of the Arizona Corporation Commission,
 15 have hereunto set my hand and caused the official seal of the
 Commission to be affixed at the Capitol, in the City of Phoenix,
 this ____ day of _____, 2011.

16
 17
 18 ERNEST G. JOHNSON
 EXECUTIVE DIRECTOR

19 DISSENT _____
 20

21 DISSENT _____
 22
 23
 24
 25
 26
 27
 28

1 SERVICE LIST FOR:

2008 ANNUAL REPORTS

2 DOCKET NO.:

C-00000A-10-0393

3 Robert M. Wellings
4 American General Payphone
5 3116 East Shea Boulevard, Suite 252
6 Phoenix, AZ 85028

Global Touch Telecom, Inc.
11845 West Olympic Boulevard, Suite 600
Los Angeles, CA 90064

6 Arizona Windsong Realty, Inc.
7 P.O. Box 261
8 Sanders, AZ 86512

Grand Canyon Caverns and Inn, LLC
P.O. Box 180
Peach Springs, AZ 86434

8 Arnan, LLC
9 3910 North Grand Avenue
10 Phoenix, AZ 85019

Green Acres Water Company
2891 Patricia Lane
Yuma, AZ 85364

10 Beaver Valley Water Company
11 P.O. Box 421
12 Payson, AZ 85547

GTC Telecom
3151 Airway Avenue, Suite KP-103
Costa Mesa, CA 92626

13 Bidegain Water Company
14 P.O. Box 538
15 Kearny, AZ 85237

Holiday Enterprises Incorporated
Holiday Water Company
P.O. Box 309
Tombstone, AZ 85638

15 CCG Communications, LLC
16 6 Technology Park Drive
17 Westford, MA 01886

Hopeville Water Company, Inc.
1415 South Palo Verde Road
Buckeye, AZ 85326

17 Cienega Water Company, Inc.
18 P.O. Box 3518
19 Parker, AZ 85344

James Jay Fritton
7515 North Rasmussen Avenue
Tucson, AZ 85741

20 CityNet Arizona, LLC
21 5540 North 7th Street, Suite B
22 Phoenix, AZ 85014

Kacy J. Parker
Jake's Corner Water System
HC6 Box 1048 H
Payson, AZ 85541

22 Crown King Water Company, Inc.
23 4918 West Park View Lane
24 Glendale, AZ 85310

Kacy Parker
Arroyo Water Company
HC6 Box 1048 L
Payson, AZ 85541

24 Elfrida Domestic Water Users Association
25 P.O. Box 356
26 Elfrida, AZ 85610

Los Rapidos, Inc.
Crucero
35 North Terrace Avenue
Nogales, AZ 85621

27 Freedomstarr Communications, Inc.
28 7985 Santa Monica Blvd., Suite 109 #7
West Hollywood, CA 90046

1 Lucky Hills Water Company
PO Box 309
2 Tombstone, AZ 85638

3 Mirabell Water Company, Inc.
1037 South Alvernon, Suite 250
4 Tucson, AZ 85711

5 Garth Wieger
6 Mobile Water Company
6720 North Scottsdale Road, Suite 335
7 Scottsdale, AZ 85253

8 Morristown Water Company
9 P.O. Box 156
Morristown, AZ 85342

10 National Public Phone Company
11 8200 East Pacific Place #409
12 Denver, CO 80231

13 Wilber G. Anderson
Oatman Water Company, LLC
14 1 East Camelback Road, Suite 1100
Phoenix, AZ 85012

15 Puesta Del Sol Water Company
16 3626 Liese Drive
17 Prescott, AZ 86303

18 Q Mountain Water, Inc.
12486 South Foothills Boulevard
19 Yuma, AZ 85367

20 R.L. Communications, Inc.
21 7355 North 8th Street
Phoenix, AZ 85020

22 William P. Farr
23 Salome Water Company
24 P.O. Box 550
Salome, AZ 85348

25 South Rainbow Valley Water Coop.
26 27205 South 170th Avenue
27 Buckeye, AZ 85326

28

Strawberry Water Company
HC1 Box 817
Pine, AZ 85544-9719

Tacna Water Company
2993 South Arizona Avenue
Yuma, AZ 85365

Voyager at White Mountain Lakes Water Co.,
Inc.
1993 Juniper Ridge Resort
Show Low, AZ 85901

Janice Alward, Chief Counsel
Legal Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, AZ 85007

Steven M. Olea, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, AZ 85007

<u>Docket No.</u>	<u>Company Name</u>	<u>Involvement in 1999-2007 Annual Report ("AR") Cases¹</u>
W-02250A	Arizona Windsong Realty, Inc.	<p><u>1999 AR:</u> Named in OSC; AR filed late; dismissed without penalty</p> <p><u>2000 AR:</u> Not named</p> <p><u>2001 AR:</u> Named in OSC; AR filed late; dismissed without penalty</p> <p><u>2002 AR:</u> Not named</p> <p><u>2003 AR:</u> Not named</p> <p><u>2004 AR:</u> Not named</p> <p><u>2005 AR:</u> Not named</p> <p><u>2006 AR:</u> Named in OSC; AR filed late; dismissed without penalty</p> <p><u>2007 AR:</u> Not named</p>
W-02015A	Beaver Valley Water Company	<p><u>1999 AR:</u> Not named</p> <p><u>2000 AR:</u> Not named</p> <p><u>2001 AR:</u> Not named</p> <p><u>2002 AR:</u> Not named</p> <p><u>2003 AR:</u> Named in OSC; dismissed without penalty</p> <p><u>2004 AR:</u> Not named</p> <p><u>2005 AR:</u> Not named</p> <p><u>2006 AR:</u> Not named</p> <p><u>2007 AR:</u> Not named</p>
W-01558A	Crown King Water Company, Inc.	<p><u>1999 AR:</u> Named in OSC; CC&N rescinded and revoked; \$200 penalty</p> <p><u>2000 AR:</u> Named in OSC; dismissed without penalty</p> <p><u>2001 AR:</u> Not named</p> <p><u>2002 AR:</u> Not named</p> <p><u>2003 AR:</u> Not named</p> <p><u>2004 AR:</u> Not named</p> <p><u>2005 AR:</u> Not named</p> <p><u>2006 AR:</u> Named in OSC; \$200 penalty</p> <p><u>2007 AR:</u> Named in OSC; \$200 penalty</p>

¹ Official notice is taken of the following Commission Decisions related to utilities failure to file Utilities Division Annual Reports ("Annual Reports"): Decision No. 71245 (August 6, 2009), regarding 2007 Annual Reports; Decision No. 70705 (January 20, 2009), regarding 2006 Annual Reports; Decision No. 70199 (March 20, 2008), regarding 2005 Annual Reports; Decision No. 69642 (June 6, 2007), regarding 2004 Annual Reports; Decision No. 69179 (December 5, 2006), regarding 2003 Annual Reports; Decision No. 69180 (December 5, 2006), regarding 2002 Annual Reports; Decision No. 65649 (February 18, 2003), regarding 2001 Annual Reports; Decision No. 64866 (June 5, 2002), regarding 2000 Annual Reports; and Decision No. 64395 (January 31, 2002), regarding 1999 Annual Reports.

T-03822A	Freedomstarr Communications, Inc.	<u>1999 AR:</u> Not named <u>2000 AR:</u> Not named <u>2001 AR:</u> Not named <u>2002 AR:</u> Not named <u>2003 AR:</u> Not named <u>2004 AR:</u> Not named <u>2005 AR:</u> Not named <u>2006 AR:</u> Named in OSC; AR filed late; dismissed without penalty <u>2007 AR:</u> Not named
T-20428A	Global Touch Telecom, Inc.	<u>1999 AR:</u> Not named <u>2000 AR:</u> Not named <u>2001 AR:</u> Not named <u>2002 AR:</u> Not named <u>2003 AR:</u> Not named <u>2004 AR:</u> Not named <u>2005 AR:</u> Not named <u>2006 AR:</u> Not named <u>2007 AR:</u> Not named
W-02271A	Green Acres Water Company	<u>1999 AR:</u> Not named <u>2000 AR:</u> Not named <u>2001 AR:</u> Named in OSC; AR filed late; dismissed without penalty <u>2002 AR:</u> Named in OSC; AR filed late; dismissed without penalty <u>2003 AR:</u> Not named <u>2004 AR:</u> Not named <u>2005 AR:</u> Named in OSC; AR filed late; dismissed without penalty <u>2006 AR:</u> Named in OSC; AR filed late; dismissed without penalty <u>2007 AR:</u> Not named

T-03717A	GTC Telecom	<u>1999 AR:</u> Not named <u>2000 AR:</u> Not named <u>2001 AR:</u> Not named <u>2002 AR:</u> Not named <u>2003 AR:</u> Not named <u>2004 AR:</u> Not named <u>2005 AR:</u> Not named <u>2006 AR:</u> Not named <u>2007 AR:</u> Not named
W-01896A	Holiday Enterprises Incorporated	<u>1999 AR:</u> Not named <u>2000 AR:</u> Not named <u>2001 AR:</u> Not named <u>2002 AR:</u> Not named <u>2003 AR:</u> Not named <u>2004 AR:</u> Not named <u>2005 AR:</u> Not named <u>2006 AR:</u> Not named <u>2007 AR:</u> Named in OSC; AR filed late; dismissed without penalty
W-04249A	Jake's Corner Water System	<u>1999 AR:</u> Not named <u>2000 AR:</u> Not named <u>2001 AR:</u> Not named <u>2002 AR:</u> Not named <u>2003 AR:</u> Not named <u>2004 AR:</u> Named in OSC with Company # W-03745A; AR filed late; dismissed without penalty <u>2005 AR:</u> Not named <u>2006 AR:</u> Not named <u>2007 AR:</u> Not named
W-04286A	Arroyo Water Co.	<u>1999 AR:</u> Not named <u>2000 AR:</u> Not named <u>2001 AR:</u> Not named <u>2002 AR:</u> Not named <u>2003 AR:</u> Not named <u>2004 AR:</u> Not named <u>2005 AR:</u> Not named <u>2006 AR:</u> Not named <u>2007 AR:</u> Not named

T-03743A	Los Rapidos, Inc.	<u>1999 AR:</u> Not named <u>2000 AR:</u> Not named <u>2001 AR:</u> Not named <u>2002 AR:</u> Not named <u>2003 AR:</u> Not named <u>2004 AR:</u> Not named <u>2005 AR:</u> Not named <u>2006 AR:</u> Not named <u>2007 AR:</u> Not named
W-01961A	Lucky Hills Water Company	<u>1999 AR:</u> Not named <u>2000 AR:</u> Not named <u>2001 AR:</u> Not named <u>2002 AR:</u> Not named <u>2003 AR:</u> Not named <u>2004 AR:</u> Not named <u>2005 AR:</u> Not named <u>2006 AR:</u> Not named <u>2007 AR:</u> Named in OSC; AR filed late; dismissed without penalty
W-02164A	Morristown Water Company	<u>1999 AR:</u> Not named <u>2000 AR:</u> Not named <u>2001 AR:</u> Not named <u>2002 AR:</u> Not named <u>2003 AR:</u> Not named <u>2004 AR:</u> Named in OSC; AR filed late; dismissed without penalty <u>2005 AR:</u> Named in OSC; CC&N revoked; \$200 penalty <u>2006 AR:</u> Named in OSC; \$200 penalty <u>2007 AR:</u> Named in OSC; \$200 penalty
W-02464A	Puesta Del Sol Water Company	<u>1999 AR:</u> Not named <u>2000 AR:</u> Not named <u>2001 AR:</u> Not named <u>2002 AR:</u> Not named <u>2003 AR:</u> Not named <u>2004 AR:</u> Not named <u>2005 AR:</u> Not named <u>2006 AR:</u> Not named <u>2007 AR:</u> Not named

W-02280A	South Rainbow Valley Water Coop.	<u>1999 AR:</u> Not named <u>2000 AR:</u> Not named <u>2001 AR:</u> Not named <u>2002 AR:</u> Not named <u>2003 AR:</u> Not named <u>2004 AR:</u> Not named <u>2005 AR:</u> Not named <u>2006 AR:</u> Not named <u>2007 AR:</u> Named in OSC; CC&N revoked; \$200 penalty (both rescinded due to filing of AR within 60 days after Decision) ²
W-01407A	Strawberry Water Company	<u>1999 AR:</u> Named in OSC; CC&N rescinded and revoked; \$200 penalty (both rescinded due to filing of AR within 60 days after Decision) ³ <u>2000 AR:</u> Not named <u>2001 AR:</u> Not named <u>2002 AR:</u> Named in OSC; AR filed late; dismissed without penalty <u>2003 AR:</u> Not named <u>2004 AR:</u> Not named <u>2005 AR:</u> Named in OSC; AR filed late; dismissed without penalty <u>2006 AR:</u> Named in OSC; AR filed late; dismissed without penalty <u>2007 AR:</u> Named in OSC; AR field late; dismissed without penalty

² Decision No. 71245 ordered that South Rainbow Valley Water Coop.'s CC&N be revoked and that it be fined \$200, unless its 2007 Annual Report were filed within 60 days after the effective date of the Decision, in which event the revocation and financial penalty would be null and void without further Order of the Commission. (Decision No. 71245 at 6-7.) A compliance filing by Staff on August 14, 2009, indicated that South Rainbow Valley Water Coop. had filed its 2007 Annual Report within this timeframe. Official notice is taken of this compliance filing made in Docket No. C-00000A-09-0060 on August 14, 2009.

³ Decision No. 64395 ordered that Strawberry Water Company's CC&N be revoked and that it be fined \$200, unless its 1999 Annual Report were filed within 60 days after the effective date of the Decision, in which event the revocation and financial penalty would be null and void without further Order of the Commission. (Decision No. 64395 at 8-10.) A compliance filing by Staff on April 2, 2002, indicated that Strawberry Water Company had filed its 1999 Annual Report within this timeframe. Official notice is taken of this compliance filing made in Docket No. T-00000A-00-0968 on April 2, 2002.

W-01983A	Voyager at White Mountain Lakes Water Co., Inc.	<u>1999 AR:</u> Not named <u>2000 AR:</u> Named in OSC as White Mountain Lake Estates, Inc.; \$1,000 penalty <u>2001 AR:</u> Named in OSC as White Mountain Lake Estates, Inc.; AR filed late; dismissed without penalty <u>2002 AR:</u> Not named <u>2003 AR:</u> Not named <u>2004 AR:</u> Not named <u>2005 AR:</u> Not named <u>2006 AR:</u> Not named <u>2007 AR:</u> Not named
W-01084A	William P. Farr dba Salome Water Company	<u>1999 AR:</u> Named in OSC; CC&N rescinded and revoked; \$200 penalty <u>2000 AR:</u> Named in OSC; \$1,000 penalty <u>2001 AR:</u> Named in OSC; \$250 penalty <u>2002 AR:</u> Named in OSC; dismissed without penalty <u>2003 AR:</u> Named in OSC; \$200 penalty <u>2004 AR:</u> Not named <u>2005 AR:</u> Named in OSC; \$200 penalty <u>2006 AR:</u> Named in OSC; \$200 penalty <u>2007 AR:</u> Named in OSC; \$200 penalty